

Papers filed to liquidate 'hopelessly insolvent' VBS

Legalbrief Today

The Prudential Authority (PA), formerly known as the Registrar of Banks, has filed court papers seeking the liquidation of VBS Mutual Bank. In a [press statement](#) issued yesterday, the PA confirmed it had filed the application with the Gauteng High Court (Pretoria). 'Whilst VBS is under curatorship pursuant to a decision taken by the Minister of Finance on 10 March 2018, the PA is of the view that curatorship must now be terminated and VBS must be placed in final winding-up,' the statement reads. It said this was because 'VBS is hopelessly insolvent and massive frauds have been perpetrated against it'. As a result, there was no prospect of entering into any resolution plan in respect of VBS, it added, saying the liquidation was in the best interests of all parties. The final winding-up was also recommended in the investigation report by Advocate Terry Motau that was made public this month. The PA expects the application to be set down for 13 November, notes [News24](#). The Mahikeng Local Municipality had also filed a liquidation application with the Limpopo High Court. In the statement, the authority said Mahikeng's application was flawed. 'The PA is of the view that **the Mahikeng Local Municipality's application is defective for a number of reasons, including that it is the PA who should terminate curatorship by liquidation.** The PA has not been joined in the Limpopo High Court application and it is the Gauteng High Court (Pretoria) which exercises jurisdiction in this matter,' the statement concluded.

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[Liquidation application](#)